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"NEW" PENAIR OFFICIALLY JOINS RAVN AIR GROUP

Purchase of PenAir Assets by Investment Affiliates of J.F. Lehman & Company Complete

ANCHORAGE (Dec. 21, 2018) – Ravn Air Group ("Ravn"), Alaska's largest regional airline, today announced that it has purchased the assets of Peninsula Airways, Inc. and created a "new" PenAir that is officially a member of Ravn Air Group. Earlier this month, the acquisition of PenAir's assets by investment affiliates of J.F. Lehman & Company was approved by the U.S. Department of Transportation ("DOT"). Today, the remaining requirements needed to accomplish the sale were finalized, making the transfer of PenAir's assets into a new subsidiary of Ravn Air Group complete.

As part of Ravn Air Group, the "new" PenAir will ensure that the airline can continue to provide safe and reliable service while simultaneously creating better and more extensive travel opportunities for its customers.

"This is a big win for Ravn Air Group, as well as for PenAir and all of our team members, customers, and Alaska communities," said Dave Pflieger, President and CEO of Ravn Air Group. "The two companies coming together provides an incredible opportunity to better connect Alaska, with the ability to provide broader, more reliable, and more consistent service."

As a subsidiary of Ravn Air Group, PenAir will keep its current name and continue to operate as a separate company under a separate FAA certificate. With the completion of the transaction, PenAir will be a financially sound organization with a significantly enhanced ability to serve the state of Alaska.

"For Ravn team members, this acquisition marks the culmination of over a year of hard work and effort that has resulted in a stronger, better company that is ready to expand," added Pflieger. "Likewise, we recognize and value PenAir's strong team, assets, and rich history of serving Alaska and are eager to welcome PenAir employees to the Ravn Air Group. We look forward to working together toward a shared goal of providing the best in safe travel throughout the great state of Alaska."

"Joining forces with the Ravn Air Group will enable us to reach our full potential. Together, we will offer our customers a broader network, greater resources, and more travel opportunities – all while maintaining our renowned customer service that PenAir passengers have appreciated for more than sixty years. We couldn't be more pleased to become part of the Ravn family," said Brian Whilden, PenAir's new President & COO.

About Ravn Air Group

Ravn Air Group is headquartered in Anchorage and supported by over 1,000 employees. Ravn operates a highly reliable fleet of almost 70 aircraft on more than 400 flights per day, or nearly 3,000 flights a week, from hubs in Anchorage, Fairbanks, Bethel, Aniak, St. Mary's, Nome, Kotzebue, Unalakleet, Barrow, and Galena. Earlier this year Ravn also expanded service to

Dillingham, King Salmon and McGrath. Ravn Alaska has an FAA-approved Safety Management System ("SMS"), and in May 2018, passed the International Air Transportation Association's Safety and Operational Audit to become an IOSA-approved airline. Ravn Air Group provides passenger, mail, freight, and charter customers with air transportation and logistics services to more than 115 destinations throughout Alaska. Ravn also has interline airline agreements with Alaska Airlines, American Airlines, Delta Air Lines, Sun Country, United Airlines and PenAir to carry their passengers throughout the state. Passengers may participate in Ravn Alaska's FlyAway Rewards program for all Ravn Alaska or Ravn Connect flights or accrue Alaska Airlines miles on select Ravn flights. For more information on how to buy tickets or reserve charter flights visit flyravn.com, flyravn.com/charter-a-flight or call 800-866-8394.

About PenAir

Celebrating over 60 years of service, PenAir began in 1955 in Bristol Bay, Alaska. Today, PenAir is the only airline operating scheduled passenger service with the Saab 2000 aircraft. PenAir currently serves six communities in southwest Alaska, including Dutch Harbor, which is marketed and sold by Alaska Airlines. PenAir is among the first air carriers in the United States to have received approval by the FAA for its Safety Management System ("SMS"). This approval and validation in achieving a demonstration of the company's highest safety verification in the industry shows their strong and enduring commitment to safety. For more information on how to buy tickets or reserve charter flights visit penair.com, or penair.com/fly-with-us/request-charter or call 800.448-4226.

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